

Needs-Based Student Housing Subsidy Subcommittee

Final Report

April 9, 2024

Voting Members:

Mayor Fazlul Kabir
Denise Mitchell, Chair and Councilmember District 4
Jacob T. Hernandez, Councilmember District 1
Susan L. Whitney, Councilmember District 2
Stuart Adams, Councilmember District 3

Non-Voting Members:

Arelis A. Perez, Chair Housing Authority of the City of College Park (HACCP)
Bob Catlin, Board Member (HACCP)
Dhruvak Mirani, Student Liaison
Gannon Sprinkle, Deputy Student Liaison
Kenny Young, City Manager
Bill Gardiner, Assistant City Manager
Janeen Miller, City Clerk

The Mayor and Council created the Needs-Based Student Housing Subsidy Subcommittee during a Council Meeting on July 11, 2023. The members of the Subcommittee include the Mayor and one Councilmember from each district. The Student Liaisons, representatives from the Housing Authority of the City of College Park, and City staff have participated in all meetings and are considered non-voting members.

The City Council received a presentation from the Subcommittee on January 23, 2024. A public Information Meeting with a presentation from the Subcommittee was held on February 6, 2024 and an update to the Mayor and Council was provided during the March 5, 2024 Council Meeting. Written comment on the proposal has been received and considered by the Subcommittee. The Subcommittee met on March 14 and March 28 to discuss and develop this final report to the Mayor and Council.

The attached report provides information on how a City rental assistance grant pilot program could be structured and administered. The application would be developed, hosted and reviewed by City of College Park staff. The report proposes \$1,500 grants for approximately 150 residents. It discusses possible eligibility criteria based on Pell grant eligibility and/or income-based eligibility; the application process; and a lottery selection process.

The report notes issues that need further clarification and review, and possible next steps and considerations by the City Council. The City Attorney has been consulted on the proposed pilot program in general as discussed by the Subcommittee. The City Attorney would review the process and requirements of any proposed rental assistance program if Council chooses to move forward.

The Subcommittee grappled with a number of challenging issues regarding rental assistance for eligible students and other residents. The following report contains the Subcommittee's general suggestions for how the application, eligibility criteria, and lottery selection process could be set up. The report notes options or alternative approaches when committee members differed on certain issues.

Final Report

Application

The City of College Park will develop and host an online application. The online application process will include information on potential financial aid implications of the rental assistance grants. The application will include the following components:

- Attestation statement for financial eligibility requirements
- Applicants select Pell Grant Eligibility or Income-Based Eligibility
- Applicants upload a copy of signed lease at an eligible property in College Park
 - Full name on lease must match applicant full name
 - Full address of property must be included in the lease
 - Lease must explicitly include the minimum lease period established by Mayor and Council
- Applicants provide current contact information (email, phone number, and address)
- Applicants provide consent for participation in surveys and/or other data collection processes for program evaluation purposes

A valid lease with the required information will be the only documentation required during the application. No financial documentation will be collected at application.

Eligibility

Program eligibility was discussed and debated during Subcommittee meetings. Members discussed whether the program should be open to all students (including graduate students) and non-student residents with financial need. Two categories of eligibility were presented, although there was no unanimity of opinion on the details of these categories. If there are Pell grant and Income-based categories for eligibility, one question to be resolved is whether students (undergraduate or all post-secondary students) could be eligible under either category. The two proposed categories are below. Elected officials, City employees, and their households would not be eligible under any category.

Eligibility Criteria Option 1: Pell Grant-based

- Students: Undergraduate students who qualified for a Federal Pell Grant in the 2023-24 or 2024-25 academic year
- Proof of a signed lease at an eligible property in College Park
 - Eligible properties are those subject to the 3-cent property tax rate increase
 - *Optional eligibility: Single Family Homes*
- Minimum lease period set by Mayor and Council
- Consent to participate in surveys and/or other data collection processes for program evaluation purposes

Eligibility Criteria Option 2: Income-based

- Full-time graduate students for Fall 2024 semester
 - income at or below either 40% or 60% Area Median Income (AMI)
- College Park renters
 - income is at or below either 40% or 60% Area Median Income (AMI).
- *Option: Undergraduate and graduate students*
 - *income at or below either 40% or 60% Area Median Income (AMI)*

- Proof of a signed lease at an eligible property in College Park
 - Eligible properties are apartments subjected to the 3-cent property tax rate increase (does not include on-campus apartments/dorms).
 - *Optional eligibility: Single Family Homes*
- Minimum lease period to be set by Mayor and Council
- Consent to participate in surveys and/or other data collection processes for program evaluation purposes

Selection Process for Eligible Applicants

Lottery:

- City would implement an equitable lottery process for the rental assistance grants
 - City-led lottery system or third party-led lottery system
- City staff will organize and filter applicant information to ensure no duplication of applicants by name.
- Pell Grant-eligible Applicants will be initially selected by lottery.
 - Upon selection, City staff will verify the uploaded lease information meets the required criteria.
 - If the lease information is confirmed, the applicant will proceed to coordinate with City staff on providing Pell Grant eligibility documentation and distribution of award.
 - If the lease is not confirmed, City staff will select an additional number of applicants until the number of applicants confirmed is equal to the number of grants allocated by Mayor and Council.
- Income-eligible Applicants will be initially selected by lottery.
 - Upon selection, City staff will verify the uploaded lease information meets the required criteria.
 - If the lease information is confirmed, the applicant will proceed to coordinate with City staff on proving Income eligibility, graduate student status (if applicable) and distribution of award.
 - If the lease is not confirmed, City staff will select an additional number of applicants until the number of applicants confirmed is equal to the number of grants allocated by Mayor and Council.
- To reasonably allocate City staff resources, no additional lottery selections would be taken for applicants who demonstrate a valid lease but are unable to verify Pell Grant or Income-based eligibility. If this occurs, the number of grants could be less than the number approved by Council.

Final Application Review

Following the Lottery process, City staff will contact the selected applicants to verify Pell Grant and Income-based eligibility. If a selected applicant does not respond to City staff correspondence within a reasonable time, as determined by City staff, the selected applicant could become ineligible for a grant award.

Verification could include requirements to submit a copy of a Pell Grant Award Letter or similar documentation. Income-based eligibility could require submission of Tax Returns or similar documentation. If the Mayor and Council elect to require full-time graduate school enrollment for the Income-based eligibility option, applicants could be required to submit a copy of a course schedule for the Fall 2024 demonstrating full-time enrollment.

It is assumed that City staff will send awardees a check for the rental assistance grants directly via mail or in-person check once all documentation has been verified.

Next steps

The Mayor and Council created a Subcommittee to consider and develop a rental assistance grant program. The possibility of the program was discussed as part of the 3-cent tax increase on commercial properties and the revenue from that additional tax is in the FY2024 budget.

Key considerations for Mayor and Council, with advisement of City staff, include:

- Number for grants (e.g. 200) and value of each grant (e.g. \$1,500)
- Distribution of grants by eligibility (e.g. 100 Pell Grants, 100 Income-based)
- Income-based eligibility criteria (e.g. 40% AMI or 60% AMI)
- If full-time graduate school enrollment is required for the income-based eligibility option.
- If undergraduate students are eligible for the income-based eligibility option.
- Minimum lease period for grant eligibility (e.g. signed lease that includes the period of September –December 2024)
- If renters in single family homes would be eligible
- Timelines for application window (e.g. April) and eligibility reviews and awards (e.g. by June 2024 for FY24 funding)
- Is documentation or attestation of grant funds usage for rental payments required?

Key considerations for the City staff, in coordination with Mayor and Council, include:

- Lottery system (e.g. led by City or third-party)
- Pell Grant, Income, and Graduate School enrollment eligibility documentation requirements
- Disclaimer and guidance language (e.g. grant could be income; required participating in surveys/data collection)
- Timelines for application window (e.g. April) and eligibility reviews and awards (e.g. by June 2024 for FY24 funding)
- Develop outreach materials
- Develop online application

The City Attorney must review the process and requirements of the proposed rental assistance grants to ensure compliance with all applicable requirements.

Addendum: Outreach Partnerships and Tax Impacts

The subcommittee recommends promoting the pilot program through official channels, news outlets, and external partnerships. This includes announcements and social media posts from the City, UMD Student Government Association (SGA), and UMD Graduate Student Government (GSG). The City should also reach out to reporters with *The Diamondback* and *College Park Here and Now* who may be interested in writing articles about this initiative. Additionally, the City can purchase paid advertisements in both publications. The City could further pursue advertising partnerships with other universities with students living in College Park might qualify for the program.

The Subcommittee wants to ensure that any program it puts forward does not have unintended negative consequences for recipients or on the City's relationship with the University of Maryland (UMD). UMD has not been requested to participate financially in this proposed

initiative. UMD would be able to confirm that status with explicit consent from the student to UMD to share the information with the City of College Park for the College Park Rental Assistance program. Pell grant eligibility can vary each year and new Pell grant guidelines will likely increase the number of eligible students.

Below are additional questions and committee responses regarding aspects of the proposed program.

What message might we include on the application page to ensure student applicants know the possible impact on their financial aid of accepting a grant?

- The Message will vary depending on if whether the City provides the funds as taxable income or as a grant
- If taxable income, it is important to share that this will need to be filed as part of the recipient's taxes and may impact future determination of eligibility for financial assistance. Please note that under the current proposal to issue a check directly to recipients, the City would issue a 1099-MISC to the recipient, and the distribution would be considered income.
- If a grant, it would be considered "other financial assistance" and could impact financial aid for the upcoming school year/semester. UMD would review as part of their financial assistance package to ensure that their total financial aid does not go over the cost of UMD education (tuition/room & board) for any given year.

Are there certain months when the City should avoid issuing a grant because it adds confusion to the student's financial aid process?

- If treated as income, no concern.
- If a grant, UMD would recommend it be shared before June 1st for the fall semester and before December 1st for spring semester. This would minimize the back and forth that would happen with students if a financial aid package or billing needs to be adjusted.

If the City issued a grant directly to a student's landlord instead of to the student, would that reduce the impact of the grant on the student's financial aid package?

- No, either way this is considered a support for the student. UMD would include it in the financial package calculation and would review it as part of their financial assistance package to ensure that their total financial aid does not go over the cost of UMD education (tuition/room & board) for any given year.

24-G-66

60% Design Plans for 52nd Ave. sidewalk



**CITY OF COLLEGE PARK, MARYLAND
ACTION ITEM COVER REPORT**

Prepared By: Steven E. Halpern P.E.
City Engineer

Meeting Date: 04/16/2024

Presented By: Steven E. Halpern P.E.
City Engineer

Proposed Consent: NO

Originating Department: Public Works

Topic: 52nd Avenue Sidewalk Design

Strategic Plan Objective: Objective 3: Preserve and enrich our environment and natural beauty to attract people and sustain our city's future.

Background/Justification:

In 2018 staff developed a priority matrix to identify sidewalk projects that support the City's Complete and Green Streets initiatives. 52nd Avenue was identified as one of the top priority sidewalk connectivity routes.

The City Council approved a design contract with Charles P. Johnson & Associates (CPJ) in the amount of \$145,805.00 on September 13, 2022, to design a sidewalk along 52nd Avenue from Narragansett Parkway to Huron Street. The design project began in December 2022 with a completion date of April 2024.

The project has experienced some delays but has now reached the 60% design phase where it is ready to be presented to Council.

Fiscal Impact:

The original estimated construction cost for the construction phase is \$1.2 million.

Equity & Inclusion Impact:

The proposed sidewalk will increase safe passage for pedestrian along the 52nd Avenue corridor.

Council Options:

1. Approved the continuance with the design.
2. Request changes to the original design and return to a future work session.
3. Do not move forward with the design of the project.

Staff Recommendation:

N/A - This is a council decision.

Attachments:

1. Copy of CPJ's presentation and drawings
2. 2018 Complete and Green Streets presentation
3. 2020 Task Order for sidewalk design